

# HOUSE BILL No. 1051

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.1-33.

**Synopsis:** Income tax credit for anhydrous ammonia additives. Provides a state tax credit to a taxpayer that purchases an anhydrous ammonia additive and treats the anhydrous ammonia possessed by the taxpayer to make it unsuitable for use in the manufacture of methamphetamine or amphetamine.

**Effective:** January 1, 2010.

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**Duncan**

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January 7, 2009, read first time and referred to Committee on Ways and Means.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1051

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.1-33 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2010]:

4 **Chapter 33. Anhydrous Ammonia Additive Tax Credit**

5 **Sec. 1. As used in this chapter, "anhydrous ammonia additive"**  
6 **means any substance added to anhydrous ammonia that:**

- 7 (1) **makes the anhydrous ammonia unsuitable for use in the**  
8 **manufacture of methamphetamine or amphetamine; and**  
9 (2) **does not prevent the use of the anhydrous ammonia as an**  
10 **agricultural fertilizer.**

11 **Sec. 2. As used in this chapter, "pass through entity" means:**

- 12 (1) **a corporation that is exempt from the adjusted gross**  
13 **income tax under IC 6-3-2-2.8(2);**  
14 (2) **a partnership;**  
15 (3) **a trust;**  
16 (4) **a limited liability company; or**  
17 (5) **a limited liability partnership.**



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1        **Sec. 3. As used in this chapter, "state tax liability" means a**  
 2        **taxpayer's total tax liability that is incurred under IC 6-3-1**  
 3        **through IC 6-3-7 (the adjusted gross income tax), as computed**  
 4        **after the application of the credits that, under IC 6-3.1-1-2, are to**  
 5        **be applied before the credit provided by this chapter.**

6        **Sec. 4. As used in this chapter, "taxpayer" means an individual,**  
 7        **a corporation, a partnership, or other entity that has a state tax**  
 8        **liability.**

9        **Sec. 5. A taxpayer is entitled to a credit against the taxpayer's**  
 10       **state tax liability in an amount equal to the total cost of any**  
 11       **anhydrous ammonia additives purchased and used during the**  
 12       **taxable year in treating anhydrous ammonia in the possession of**  
 13       **the taxpayer.**

14       **Sec. 6. To obtain the credit provided by this chapter, the**  
 15       **taxpayer must:**

- 16       (1) **claim the credit on the taxpayer's state tax return or**  
 17       **returns in the manner prescribed by the department; and**  
 18       (2) **submit to the department proof of all information that the**  
 19       **department determines is necessary for the calculation of the**  
 20       **credit.**

21       **Sec. 7. If a pass through entity does not have adjusted gross**  
 22       **income tax liability against which the credit provided by this**  
 23       **chapter may be applied, a shareholder or partner of the pass**  
 24       **through entity is entitled to a credit equal to:**

- 25       (1) **the credit determined for the pass through entity for the**  
 26       **taxable year; multiplied by**  
 27       (2) **the percentage of the pass through entity's distributive**  
 28       **income to which the shareholder or partner is entitled.**

29       **Sec. 8. A taxpayer is not entitled to a carryover, carryback, or**  
 30       **refund of any unused credit provided by this chapter. A taxpayer**  
 31       **may not sell, assign, convey, or otherwise transfer the tax credit**  
 32       **provided by this chapter.**

33       **SECTION 2. [EFFECTIVE JANUARY 1, 2010] IC 6-3.1-33, as**  
 34       **added by this act, applies to taxable years beginning after**  
 35       **December 31, 2009.**

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